

EXHIBIT 93

CONFIDENTIAL

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IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF WYOMING

Defendants.)

* SUBJECT TO A PROTECTIVE ORDER *

215-241-1000 ~ 610-434-8588 ~ 302-571-0510 ~ 202-803-8830

1 MR. MICHAELSON: Objection, form.

2 A. I'm not sure what a risk rating would
3 have --

4 Q. (BY MR. ORTIZ) You're not sure --

5 A. I'm not sure that that is a field in the
6 database. I'm not familiar with a risk rating.

7 Q. You're not familiar with a risk rating
8 that can be A, B, or C, or S, if it's a new type
9 of institution, none of that rings a bell with
10 you?

11 A. I would not have been involved in those.

12 Q. Did you ever have specific conversations
13 with Albert Forkner specific to Custodia?

14 A. I did have conversations with Albert
15 about Custodia.

16 Q. How many times do you think you talked
17 to him, either in person or on the phone about
18 Custodia?

19 A. I might have talked to him two or three
20 times.

21 Q. Was it early on in the process or was it
22 throughout the process?

23 A. I would have talked to him early on
24 before the legislation passed. I would have
25 talked to him at the point that the request had

1 been made to us for the master account to
2 understand how they were doing the supervisory
3 program that would come alongside that.

4 Q. Did you talk to him sometime later on,
5 as well?

6 A. I could have talked to him later on.

7 Q. When you talked to him early on in the
8 legislative process, did you tell him you were
9 not a fan of SPDIs or you were skeptical of this,
10 anything like that?

11 MR. MICHAELSON: Objection, form.

12 A. I think in my early conversations Albert
13 as the State bank Commissioner was expressing his
14 own concerns about how these institutions would
15 be supervised, and I shared his concerns, with
16 trying to understand the risk profile and how the
17 State would go about assessing those risks.

18 Q. (BY MR. ORTIZ) Then after the
19 legislation passes and Custodia has submitted its
20 application for a master account, what were your
21 conversations with Albert Forkner then?

22 MR. MICHAELSON: Objection, form.

23 Q. (BY MR. ORTIZ) If you recall.

24 A. My conversations then were really his
25 asking questions about what factors we'd be

1 considering, how we would go about making these
2 determinations.

3 He would share information about their
4 supervisory program and how they were beginning
5 to think about carrying out their role.

6 Q. Did Albert Forkner tell you that if they
7 were an eligible depository institution, you
8 didn't have the authority to deny them a master
9 account, that legally you had to give them one?

10 A. I don't recall Albert telling me what my
11 authorities were around the master account. He
12 did raise questions about legal eligibility.

13 Q. (BY MR. ORTIZ) He basically told you
14 under Monetary Control Act you couldn't
15 discriminate against Custodia and not give them a
16 master account, didn't he?

17 MR. MICHAELSON: Objection, form.

18 A. That could have been Albert's opinion.

19 Q. (BY MR. ORTIZ) Sure. There were other
20 people that you respected that throughout this
21 process gave you their opinions about whether you
22 were obligated to give Custodia a master account,
23 agreed?

24 MR. MICHAELSON: Objection, form.

25 A. There could have been, yes.

1 Q. Because the Wyoming Division of Banking
2 was a bit frustrated with the delays. That got
3 back to you, didn't it?

4 A. I was not aware they were frustrated
5 with delays.

6 Q. Well, then tell me the context of
7 Governor Gordon reaching out to you for a
8 conversation to understand the timing of this
9 then.

10 A. Because Custodia was concerned about the
11 timing my assumption was that that was where he
12 was getting the questions, and wanted to hear
13 first-hand from us how we were handling this
14 request.

15 Q. And when you say Custodia was concerned
16 about the timing, you mean Custodia was concerned
17 about how long this was taking, correct?

18 A. Custodia had raised that question
19 several times.

20 Q. Governor Gordon also talked to you about
21 the fact that it was important that these type of
22 chartered SPDI institutions be able to get a
23 master account. He talked to you directly about
24 that, as well, didn't he?

25 A. I don't remember Governor Gordon talking

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1 about the importance of the master account per
2 se. Governor Gordon knew it was important for
3 these institutions to begin to operate, and that
4 they very much wanted a master account at the
5 Kansas City Fed.

6 Q. Sure. Well, Governor Gordon expressed
7 to you that in order for these institutions to be
8 viable, they needed direct access to Fed services
9 through a master account.

10 A. Governor Gordon did not indicate that to
11 me at any time.

12 Q. Never?

13 A. Not that they would be -- not that they
14 would not be viable without access to a master
15 account.

16 Q. Did you ever have that conversation with
17 him and tell him you wanted them going a
18 different route?

19 A. I specifically had that conversation
20 with Albert Forkner in the State Banking
21 Department to ask on several occasions: Was
22 access to a master account at the Kansas City Fed
23 the only route to viable operations for these
24 entities? And each time the answer was: No, it
25 is desirable, but it is not required for them to

1 begin operations."

2 Q. So Albert Forkner said, "I guess if they
3 get a correspondent bank relationship, they could
4 technically be viable." That's what he told you,
5 wasn't it?

6 A. That was the nature of his response.

7 Q. But you knew from Custodia that that
8 really wasn't an option for long-term viability
9 because of the fees they had to pay a
10 correspondent bank, and that's why the direct
11 access to a master account was so important,
12 correct?

13 A. We understood from Custodia that they
14 wanted a master account at the Kansas City Fed.

15 Q. Because of what I just said, because of
16 the fees they would have to pay a correspondent
17 bank to go through their master account, you knew
18 that, as well, didn't you?

19 A. I knew they had their reasons around why
20 they wanted a master account versus using a
21 correspondent bank.

22 Q. So is what I said incorrect? What were
23 the reasons you understood that they wanted their
24 own master account?

25 A. My understanding of their -- because

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1 they had requested it, and I do not recall asking
2 their motivation, although going through a
3 third-party likely did involve other kinds of
4 costs.

5 Q. Getting back to what Tara Humston
6 reported to you in her conversations with Caitlin
7 Long, the conversations with Caitlin Long where
8 she reported or she said, "I told her there were
9 no show-stoppers, "was in the context of Caitlin
10 saying, "Are we going to be able to get our
11 master account?" That was the context of that
12 conversation, true?

13 MR. MICHAELSON: Objection, form.

14 A. I wasn't involved in the conversation,
15 so I can't speak to that.

16 Q. (BY MR. ORTIZ) So you're not sure if
17 that's true or not?

18 A. I wasn't party to the conversation.

19 Q. All you know is that it was reported
20 back to you by Tara that she had conversations
21 with Caitlin and told her there were no
22 show-stoppers. That's basically what you know
23 about that?

24 A. That was my understanding.

25 Q. So many people have testified under oath

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1 staff and Albert Forkner. Do you recall this?

2 A. I've read it, yes.

3 Q. Is this one of the documents that you
4 read in prep for today?

5 A. I did see that.

6 Q. So I want to direct you to the big
7 middle paragraph toward the bottom, the bottom
8 fourth where it says understandably. Do you see
9 that word?

10 A. Yes.

11 Q. "Understandably, Albert was disappointed
12 and while we did not discuss approval or denial,
13 he did share that he does not see a path for
14 denial based on the legal criteria. He also
15 questioned how the OCC's recent letter on
16 national bank activity should be considered,
17 wondering if a denial of a SPDI would be viewed
18 as preventing new entrants, when the activity is
19 permissible for a national bank.

20 That's pretty clear, the way he viewed
21 the law and the right of Custodia to get a master
22 account, agreed?

23 MR. MICHAELSON: Objection, form.

24 A. Yes, I think this is an expression of
25 his assessment.

1 Q. (BY MR. ORTIZ) Did you direct your
2 staff to answer those particular questions about
3 the OCC's letter saying that this is legally
4 permissible activity and whether you were
5 obligated to give them a master account?

6 A. So these were the same issues that we
7 were engaged in as we asked the Board of
8 Governors to give us insight on the policy
9 aspects here and on the threshold question of
10 legal eligibility, including the nature of the
11 OCC's charter.

12 Q. So were you trying to stall for time
13 because you really didn't want to answer the
14 questions about whether you had to give them a
15 master account?

16 A. I was not stalling for time. I was --
17 my objective was to collect information and to
18 inform a decision that I thought was
19 consequential for not only Custodia, but for
20 those that would follow.

21 Q. Would it be a concern of others, if you
22 gave a master account to Custodia, it was a
23 weighing concern that you might have others that
24 would want the same thing?

25 A. We understood that to say to endorse one

1 would be setting a precedent for how others would
2 understand their eligibility and access
3 expectations.

4 Q. Philosophically did you not want a bunch
5 of SPDI charters having access to the Federal
6 Reserve system?

7 MR. MICHAELSON: Objection, form.

8 A. There was never a point that we had a
9 preference one way or the other. We were really
10 trying to understand the nature of the charter
11 and to fulfill our responsibilities for providing
12 financial services to eligible institutions.

13 Q. (BY MR. ORTIZ) Let me hand you what we
14 already have in evidence as Exhibit 7,
15 Ms. George. We are now say 4 or 5 months forward
16 in time from the last exhibit.

17 These are communications between Tara
18 Humston and you. Is this a document you saw
19 prior to today that you have prepared for?

20 A. I believe I did see this.

21 Q. So I want to go to the middle of that
22 paragraph when it's from Tara to you starting
23 with the word, "Meeting." Well, let's go ahead
24 in the sentence before that. "We would outline a
25 few key areas for discussion, but not requesting

1 they submit any additional information to us.
2 Meeting with them might also buy us some time
3 while the system discussions are getting geared
4 up. I think we would be pretty careful about
5 discussing these system groups that are starting
6 up, and just say we are engaged with our
7 colleagues to consider not only SPDI charters,
8 but also other non-traditional charter types that
9 may be requesting a master account."

10 Why did you want to hide from Custodia
11 that you were waiting for these system groups to
12 get up and running and tell you what you should
13 be doing?

14 MR. MICHAELSON: Objection, form.

15 A. So at no point were we interested in
16 hiding information from Custodia.

17 Q. (BY MR. ORTIZ) Well, what does that
18 mean then, to say that: We want to buy some
19 time? Buying some time means delay, doesn't it?

20 A. So Custodia was regularly inquiring
21 whether they had provided the information that we
22 needed from them --

23 Q. Okay.

24 A. -- and perhaps with an understanding
25 that that would lead to the decision, and I think

1 payment system.

2 Q. You mentioned seeking out other's views.
3 Did you seek out views from the Board of
4 Governors, Board staff?

5 A. So I sought views from the Board of
6 Governors, from my colleagues at the other 11
7 Reserve Banks in terms of their experience in
8 this space.

9 I would have contacted the Conference of
10 the State Bank Supervisors who would have been
11 watching this landscape at the State level unfold
12 for their views on it.

13 Q. And did you feel that you had the
14 authority to reach out to the Board of Governors
15 for their views on these questions?

16 A. I have often reached out to the Board of
17 Governors and their staff to inform decisions, to
18 clarify any number of issues.

19 Q. At any time did you feel that the Board
20 interjected themselves into your decision-making
21 process?

22 A. No, in fact, quite the opposite. I felt
23 like I was having to knock on the door quite a
24 bit to again say: "Are you making decisions? Do
25 you see other parts of the banking agencies that

1 are on the cusp of making decisions about this
2 that I should be aware of as I entertain this
3 request?"

4 Q. So in those early months when you had
5 these questions, again did you have an
6 inclination at times as to whether to grant or
7 deny the request?

8 A. I think initially we had enough
9 questions that I felt like we needed to resolve,
10 and again one of those very foundational
11 questions was this threshold issue of: Are we
12 dealing with an institution that is eligible?

13 That would have then led to a series of
14 other things we had to answer. If for some
15 reason they were not eligible, that would have
16 made moot some of these other questions.

17 Q. Did you personally have a view on
18 whether they were eligible?

19 A. I questioned whether they were eligible.
20 I questioned whether the way this charter had
21 been constructed was consistent with how the laws
22 that governed eligibility had viewed a bank, and
23 so that was really fundamental to the question I
24 was asking the Board of Governors, is to say:
25 Can you interpret that for me? Are you

1 interested in interpreting that?

2 Q. So you mentioned the charter. What was
3 the -- earlier today you answered questions about
4 concerning the novelty of the charter, the novel
5 nature of the charter. What was the significance
6 of a SPDI charter being a novel charter?

7 A. So I guess novel in a couple of ways.
8 Novel in the context of the nature of the
9 activities, so the crypto-asset focus and
10 concentration for the operation of this business
11 model, but novel in the sense that the states
12 have entities that they supervise at the State
13 level that are not connecting to the Federal
14 payment system.

15 And our normal legal regulatory
16 framework has been a different one. It has been
17 one where a dual banking system involves both
18 national and state charters that come with
19 Federal supervision, that addresses any number of
20 issues in that landscape.

21 This charter was explicit that it would
22 be only state-supervised, that it would be
23 uninsured, and that it would intend to connect to
24 either the Federal Reserve or operate with a
25 third-party.

1 Q. Did the novelty of the charter present
2 supervisory issues that differed from supervision
3 of traditional banks?

4 A. Well, to be clear, de novo institutions
5 always have a heightened focus in terms of
6 start-up operations, how quickly they will become
7 profitable, understanding the experience of the
8 management. Those are fairly straightforward in
9 any de novo institution.

10 I think in one that involved a
11 relatively new type of digital asset, digital
12 currency, created another layer both around the
13 concentration risk associated with the narrow
14 activity, and really a broader understanding of
15 what supervisory regime would apply to this,
16 because we did not have models really to look to
17 to say: How do you supervise digital currencies.

18 Q. So what do you mean by that? Why would
19 supervision of Custodia be different than
20 supervision of a traditional bank?

21 A. Well, legal authorities would be one.

22 Q. What do you mean by legal authorities?

23 A. So in this case, for example, if you're
24 not -- if Custodia is not the traditional bank,
25 which it was not, it would be not subject to the